



Montana Crop & Livestock Reporter

Cooperating with the Montana Department of Agriculture

HIGHLIGHTS

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August 1, 2008 Crop Production

Montana's all wheat production is unchanged from last month's forecast, however winter wheat production is up from the previous month and spring wheat production is lower. Based on August 1 conditions, producers expect to harvest 159.7 million bushels of all wheat, up from the 149.8 million bushels harvested last year. The area for harvest is expected to be 5.5 million acres, unchanged from last month, but 9 percent above last year. These are the last small grain forecasts until the final small grains summary is published on September 30, 2008.

Winter wheat yield is expected to be 39.0 bushels per acre, up 2 bushels from July and up 1 bushel per acre from last year. Production is forecast to be up 4.9 million bushels from July to 95.6 million bushels compared with 83.2 million bushels last year. Acreage expected to be harvested is unchanged from the July forecast, but is up 260,000 acres from last year to 2,450,000 acres. For the week ending August 10, winter wheat was 45 percent harvested compared with 89 percent last year and the five-year average of 78 percent.

Spring wheat production in Montana is forecast to be 51.5 million bushels, down 7 percent from last year's production. The expected yield of 21.0 bushels per acre is down 2 bushels from last month and last year. Dry and hot conditions during July affected expected yields. Acres for harvest are unchanged from July at 2,450,000, but up 50,000 from last year. Harvest is underway with 11 percent complete compared with 41 percent last year and 28 percent for the five-year average. Durum wheat production is forecast to be 12.7 million bushels, up 11 percent from last year, but unchanged from July. The expected yield of 21.0 bushels per acre is unchanged from last month, but 3 bushels lower than 2007. Harvested acres are up 27 percent from 2007 to 605,000 acres.

Barley yields are expected to average 47.0 bushels per acre in 2008, 3 bushels above last year, and 4 bushels per acre above July. Barley production is forecast to be 36.7 million bushels compared with 31.7

million bushels produced last year. Growers expect to harvest 780,000 acres, up 60,000 from 2007. Harvest was 13 percent complete for the week ending August 10, compared with 54 percent last year and 31 percent for the five-year average.

Oat producers expect to harvest 1.7 million bushels for grain, 8 percent lower than last year. The 2008 area for harvest is expected to be 35,000 acres, unchanged from 2007. The expected yield of 48.0 bushels per acre is 4 bushels lower than last year's yield and down 5 bushels from July. Harvest was 27 percent complete for the week ending August 10, compared with 54 percent last year and 35 percent for the five-year average.

Sugar beet production is forecast to be 745,000 tons, down 36 percent from last year. The expected yield, at 24.6 tons per acre, is down slightly from the 24.7 tons per acre last year. Producers are expecting to harvest 30,300 acres, down 16,700 acres from last year. Dry edible bean producers expect to harvest 13,000 acres this year, down 22 percent from last year's figure and down 1,500 acres from June. Yield is estimated at 1,900 pounds per acre, 230 pounds per acre higher than the previous year. All dry bean production is expected to be 247,000 cwt, down 31,000 cwt from last year's figure. Producers planted 9,000 acres of pinto beans, up 500 acres from 2007. Garbanzo bean producers planted 6,000 acres, down from 9,800 last year.

Alfalfa hay in Montana is expected to yield 2.0 tons per acre in 2008, down 0.3 ton per acre from the previous year. Growers plan to harvest 1.65 million acres, unchanged from last year. Production is expected to reach 3.3 million tons, a 13 percent decrease from the 2007 production figure. The average yield for other hay is forecast to be 1.4 tons per acre, down 0.1 ton per acre from last year. Production of other hay is forecast at 1.4 million tons, up 4 percent from 2007 due to increased harvested acreage.

For the United States, winter wheat production is forecast at 1.87 billion bushels, up 1 percent from the July 1 forecast and up 24 percent from 2007. Based on August 1 conditions, the U.S. yield is forecast at 46.6 bushels per acre, up 0.3 bushel from last month and 4.4 bushels above last year. Expected grain area totals 40.3 million acres, up 12 percent from last year but unchanged from last month. Harvest in the 18 major producing States was 86 percent complete

by August 3. This was 7 percentage points behind last year and 6 points behind the 5-year average.

U.S. other spring wheat production is forecast at 501 million bushels, down 1 percent from July but up 5 percent from 2007. The U.S. yield is forecast at 36.4 bushels per acre, down 0.4 bushel from last month and 0.6 bushel below last year. Area harvested for grain is expected to total 13.8 million acres, up 6 percent from last year. Durum wheat production in the United States is forecast at 86.6 million bushels, down 4 percent from the previous month but 21 percent above 2007. The U.S. yield is forecast at 33.5 bushels per acre, 1.3 bushels less than last month and 0.4 bushel below last year. Area harvested for grain is expected to total 2.58 million acres, unchanged from last month but up 22 percent from last year.

Barley production in the U.S. for 2008 is forecast at 218 million bushels, virtually unchanged from last month and 3 percent above 2007. Based on conditions as of August 1, the average yield for the U.S. is forecast at 59.9 bushels per acre, up 0.1 bushel from July but down 0.5 bushel from last year. Expected area to be harvested as grain or seed, at 3.64 million acres, is up 4 percent from 2007.

Oats production is forecast at 89.9 million bushels, 3 percent below the July 1 forecast and 2 percent below last year's record low 91.6 million bushels. Based on conditions as of August 1, the yield is forecast at 62.3 bushels per acre, down 2.1 bushels from last month's forecast but up 1.4 bushels from 2007. Compared with July 1, yields are forecast to be unchanged or lower in 13 of the major producing States. Expected area to be harvested as grain or seed is 1.44 million acres, down 4 percent from last year.

U.S. dry edible bean production is forecast at 24.2 million cwt for 2008, down 5 percent from last year and down slightly from 2006. Planted and harvested area increased from the June Acreage report. Planted area is forecast at 1.40 million acres, a slight increase from the previous forecast but down 8 percent from 2007. Harvested area is forecast at 1.35 million acres, 1 percent above the last forecast but 8 percent below the previous year's harvested acreage. The average U.S. yield is forecast at 1,786 pounds per acre, an increase of 70 pounds from 2007 and 209 pounds above the 2006 yield. If realized, this will be the highest yield on record for the U.S. (continued on back page)

August 1, 2008 Crop Production Forecast, Montana and U.S.

Crop	Unit	Acres Planted		Acres Harvested		Yield		Production	
		2007	2008 1/	2007	2008 1/	2007	2008 1/	2007	2008 1/
		(000) Acres	(000) Acres					(000) Units	
Winter Wheat	Bu	2,240.0	2,600.0	2,190.0	2,450.0	38.0	39.0	83,220	95,550
Durum Wheat	Bu	480.0	610.0	475.0	605.0	24.0	21.0	11,400	12,705
Spring Wheat	Bu	2,450.0	2,500.0	2,400.0	2,450.0	23.0	21.0	55,200	51,450
All Wheat	Bu	5,170.0	5,710.0	5,065.0	5,505.0	29.6	29.0	149,820	159,705
Barley	Bu	900.0	910.0	720.0	780.0	44.0	47.0	31,680	36,660
Oats	Bu	75.0	65.0	35.0	35.0	52.0	48.0	1,820	1,680
Corn for Grain 2/	Bu	84.0	65.0	38.0	22.0	145.0	5/	5,510	5/
Sugar Beets	Tons	47.5	31.6	47.0	30.3	24.7	24.6	1,161	745
Fall Potatoes	Cwt	11.3	10.9	11.2	10.8	330.0	4/	3,696	4/
Dry Beans	Cwt	18.3	15.0	16.6	13.0	16.7	19.0	278	247
Dry Peas	Cwt	235.0	232.0	217.0	214.0	17.0	4/	3,689	4/
Lentils	Cwt	87.0	84.0	85.0	82.0	9.9	4/	842	4/
Aus. Winter Peas	Cwt	20.0	19.0	4.0	4.0	6.5	4/	26	4/
Canola	Lbs	8.0	10.0	7.7	9.5	1,310.0	3/	10,087	3/
Flaxseed	Bu	21.0	10.0	20.0	9.0	9.0	5/	180	5/
Safflower	Lbs	38.0	32.0	36.5	30.5	830.0	5/	30,295	5/
Alfalfa Hay	Ton	--	--	1,650.0	1,650.0	2.3	2.0	3,795	3,300
All Other Hay	Ton	--	--	900.0	1,000.0	1.5	1.4	1,350	1,400
All Hay	Ton	--	--	2,550.0	2,650.0	2.0	1.8	5,145	4,700
UNITED STATES		(000) Acres		(000) Acres				(000) Units	
Winter Wheat	Bu	44,987.0	46,605.0	35,952.0	40,252.0	42.2	46.6	1,515,989	1,874,857
Durum Wheat	Bu	2,149.0	2,655.0	2,112.0	2,583.0	33.9	33.5	71,686	86,573
Spring Wheat	Bu	13,297.0	14,197.0	12,947.0	13,751.0	37.0	36.4	479,047	500,988
All Wheat	Bu	60,433.0	63,457.0	51,011.0	56,586.0	40.5	43.5	2,066,722	2,462,418
Barley	Bu	4,020.0	4,130.0	3,508.0	3,640.0	60.4	59.9	211,825	217,976
Oats	Bu	3,760.0	3,467.0	1,505.0	1,443.0	60.9	62.3	91,599	89,897
Corn for Grain 2/	Bu	93,600.0	86,977.0	86,542.0	79,290.0	151.1	155.0	13,073,893	12,287,875
Sugar Beets	Ton	1,268.8	1,092.1	1,246.8	1,051.8	25.6	24.1	31,912	25,319
Fall Potatoes	Cwt	1,010.6	929.1	996.7	916.2	410.0	4/	409,082	4/
Dry Beans	Cwt	1,526.9	1,401.9	1,478.7	1,353.6	17.2	17.9	25,371	24,172
Dry Peas	Cwt	847.5	847.0	811.3	807.8	19.6	4/	15,903	4/
Lentils	Cwt	303.0	279.0	295.0	272.0	11.6	4/	3,408	4/
Aus. Winter Peas	Cwt	29.0	26.5	11.0	8.8	11.6	4/	127	4/
Canola	Lbs	1,183.0	1,008.0	1,163.0	979.0	1,250.0	3/	1,453,830	3/
Flaxseed	Bu	354.0	340.0	349.0	333.0	16.9	5/	5,904	5/
Safflower	Lbs	180.0	191.0	172.0	183.0	1,215.0	5/	208,995	5/
Alfalfa Hay	Ton	--	--	21,670.0	20,778.0	3.35	3.41	72,575	70,944
All Other Hay	Ton	--	--	39,955.0	39,661.0	1.95	1.94	77,729	77,011
All Hay	Ton	--	--	61,625.0	60,439.0	2.44	2.45	150,304	147,955

1/ Preliminary. 2/ Planted for all purposes. 3/ Forecast available October 10, 2008. 4/ Forecast available November 10, 2008. 5/ Estimate available January 12, 2009. -- Not published.

Montana and U.S. Cash Rents for 2008

The average cash rent for Montana cropland rose \$0.50 from last year to \$29.00 per acre. The non-irrigated cropland average increased \$1.60 from 2007 to \$21.10 per acre. Average pasture rents increased from \$6.50 in 2007 to \$7.50 per acre in 2008. The average cash rent for irrigated cropland was not published.

Nationally, cash rents per acre paid to landlords for cropland rose \$11.00 (13 percent), while pasture rents increased \$1.00 (8.3 percent) for the 2008 crop and grazing year. Cropland cash rents paid in 2008 averaged \$96.00 per acre, compared with \$85.00 per acre for 2007. Pasture

cash rents averaged \$13.00 per acre, compared with \$12.00 per acre for 2007. The increases in cropland and pasture land rental rates are the result of producers receiving strong commodity prices.

The Delta region had the highest percentage increase for cropland, 21 percent above 2007. Cropland cash rents increased \$14.00 per acre to \$140.00 in the Corn Belt region and \$6.00 per acre to \$64.00 in the Northern Plains region. The Corn Belt and Northern Plains regions account for slightly more than one half of cash rented cropland acreage in the U.S.

The major corn and soybean producing States of Illinois, Indiana, and Iowa

experienced increases of 13, 13, and 18, percent respectively, for cropland cash rents. Illinois, Indiana, and Iowa cropland cash rents averaged \$160.00, \$135.00, and \$165.00 per acre, respectively.

While pasture rent in the Northern Plains remained unchanged from the previous year, rents in the Southern Plains, and Mountain regions both increased by 30 cents. The Northern Plains, Southern Plains, and Mountain region account for nearly 85 percent of the cash rented pasture acreage in the U.S. The cash rent paid for pasture in the Corn Belt region increased \$4.50 to \$36.00 per acre, which is the highest cash rent paid for pasture in the U.S.

June 2008 Ag Prices Received

June full month crop prices were mostly lower when compared with May 2008. Montana's winter wheat price was \$8.13 per bushel, down \$0.99 from the previous month; spring wheat decreased \$0.90 to \$10.40 per bushel, and durum wheat was down \$0.40 to \$10.80 per bushel. Feed barley prices decreased \$0.62 from the previous month to \$3.45 per bushel, but malt barley prices were up \$0.44 to \$6.49 per bushel.

The mid-July price for alfalfa hay jumped \$31.00 to \$115.00 per ton and all other hay rose \$28.00 to \$127.00 per ton. Mid-July grain prices were mostly higher with winter wheat at \$8.15 per bushel, spring wheat was \$8.22 per bushel, durum wheat was \$11.20 per bushel, malt barley was \$4.77 per bushel, and feed barley was \$4.21 per bushel.

Livestock prices for the full month of June were mostly lower when compared with the previous month. Steer and heifer prices decreased \$1.80 to \$97.00 per cwt, calves dropped \$8.00 to \$108.00 per cwt, cows decreased \$0.40 to \$53.90 per cwt. Sheep prices increased \$2.50 to \$22.30 per cwt and lambs rose \$6.00 to \$110.00 per cwt. Milk prices decreased \$0.90 per cwt from last month to \$17.70 per cwt. Steers and heifers for mid-July were \$101.00 per cwt, cows were \$59.10 per cwt, calves were \$108.00 per cwt, and the all milk price was \$18.60 per cwt.

Nationally, prices for June and changes from May were as follows: winter wheat was \$7.51 per bushel, down \$0.66, spring wheat was \$10.10 per bushel, down \$0.60, durum wheat was \$8.41 per bushel, down \$5.09, all barley was \$4.75 per bushel, up \$0.23, steers and heifers were \$96.40 per cwt, up \$0.50, calves were \$118.00 per cwt, down \$1.00, sheep were

\$24.80 per cwt, down \$2.90, lambs were \$102.00 per cwt, up \$2.00, and all milk was \$19.30 per cwt, up \$0.90.

The U.S. mid-July winter wheat price was \$7.09 per bushel, spring wheat was \$8.48 per bushel, durum wheat was \$10.80 per bushel, all wheat was \$7.29 per bushel, malt barley was \$4.57 per bushel, feed barley was \$4.68 per bushel, and oats were \$3.57 per bushel. Steer and heifer prices were \$100.00 per cwt, cows were \$56.40 per cwt, calves were \$115.00 per cwt, all hogs were \$52.50 per cwt, and all eggs were \$0.841 per dozen.

The preliminary All Farm Products Index is up 22 points (16 percent) from July 2007. The Food Commodities Index, at 157, increased 2 points (1.3 percent) from last month and increased 17 points (12 percent) from July 2007.

United States Index Summary

INDEX (1990-92=100)	June 2007	July 2007	June 2008	July 2008
Prices Received	137	139	158	161
Prices Paid, Interest, Taxes, & Farm Wage Rates 1/	161	162	189	191
Ratio 2/	85	86	84	84

1/ Prices paid indexes (1990-92=100) published monthly. 2/ Ratio of index of prices received by farmers to index of prices paid.

Montana Average Farm Prices Received

Commodity	U N I T	Monthly Average				Change from Previous		Mid-Month Avg	
		Montana		U.S.	Month	Year	Montana	U.S.	
		Jun 2007	May 2008	Jun 2008	Jun 2008	May 2008	Jun 2007	15-Jul-08	15-Jul-08
		Dollars							
Winter Wheat	Bu	5.04	9.12	8.13	7.51	-0.99	3.09	8.15	7.09
Durum Wheat	Bu	5.40	11.20	10.80	8.41	-0.40	5.40	11.20	10.80
Spring Wheat	Bu	5.08	11.30	10.40	10.10	-0.90	5.32	8.22	8.48
All Wheat	Bu	5.07	10.20	9.54	7.62	-0.66	4.47	8.31	7.29
All Barley	Bu	3.22	5.28	4.11	4.75	-1.17	0.89	4.33	4.61
Feed Barley	Bu	3.11	4.07	3.45	5.53	-0.62	0.34	4.21	4.68
Malt Barley	Bu	3.23	6.05	6.49	4.50	0.44	3.26	4.77	4.57
Oats	Bu	2.41	3.44	na	3.49	na	na	na	3.57
Alfalfa Hay	Ton	87.00	99.00	84.00	172.00	-15.00	-3.00	115.00	177.00
All Other Hay	Ton	104.00	102.00	99.00	130.00	-3.00	-5.00	127.00	130.00
All Hay Baled	Ton	90.00	99.00	86.00	161.00	-13.00	-4.00	116.00	164.00
Steers & Heifers	Cwt	90.40	98.80	97.00	96.40	-1.80	6.60	101.00	100.00
Cows	Cwt	52.00	54.30	53.90	54.30	-0.40	1.90	59.10	56.40
Beef Cattle 1/	Cwt	73.10	83.70	75.00	92.00	-8.70	1.90	87.20	95.70
Calves	Cwt	112.00	116.00	108.00	118.00	-8.00	-4.00	108.00	115.00
Sheep	Cwt	28.90	19.80	22.30	24.80	2.50	-6.60	na	na
Lambs	Cwt	102.00	104.00	110.00	102.00	6.00	8.00	na	na
All Milk	Cwt	16.50	18.60	17.70	19.30	-0.90	1.20	18.60	19.40

1/ Composite of steers, heifers, and cows. na-not available.

August 1 Crop Production (continued from page one)

U.S. production of sugar beets in 2008 is forecast at 25.3 million tons, down 21 percent from last year and 26 percent below 2006. Production forecasts are down from last year in all estimating States. Growers expect to harvest 1.05 million acres in 2008, up 2 percent from the June forecast but 16 percent lower than last year. The yield forecast, at 24.1 tons per acre, is down 1.5 tons from 2007.

Alfalfa and alfalfa mixtures production is forecast at 70.9 million tons, down 2 percent from last year. Yields are expected to average 3.41 tons per acre, slightly higher than the 3.35 tons from last year. Harvested area is forecast at 20.8 million acres, unchanged from June but 4 percent below the previous year's acreage.

Other hay production is forecast at 77.0 million tons, down 1 percent from last year. Based on August 1 conditions, yields are expected to average 1.94 tons, down slightly from last year. Harvested area, at 39.7 million acres, is unchanged from June but down 1 percent from the previous year.

Montana and U.S. Farm Real Estate Values Up

Montana farm real estate values have steadily increased over the past nine years. The average value of farm real estate in Montana on January 1, 2008 was \$1,100 per acre, up \$140 from 2007. In 2008, the average value of cropland increased \$15 to \$945 per acre. The average value of irrigated cropland was \$3,800, an increase of \$100 from a year ago, while non-irrigated cropland rose \$30 per acre to \$680 per acre. Pasture values increased \$60 to \$910 per acre.

In the U.S., farm real estate values, a measurement of the value of all land and buildings on farms, averaged \$2,350 per acre on January 1, 2008, up 8.8 percent from 2007. The \$2,350 per acre is a record high and \$190 more than a year earlier.

Both cropland and pasture values for 2008 are record highs. Cropland values rose by 10 percent to \$2,970 per acre, up from the previous high of \$2,690 in 2007. Pasture value rose by 6 percent to \$1,230 per acre.

While commercial and residential development has slowed in many regions, farm real estate values continue to

increase. Strong commodity prices and farm programs, outside investments, favorable interest rates, and tax incentives continue to be the factors that drive farm real estate values to record levels. Livestock prices, recreational use, and urban development remain the predominant influences that increase pasture land values.

Regional increases in the average value of farm real estate ranged from 1.6 percent in the Northeast region to 15.5 percent in the Northern Plains region. The highest farm real estate values remained in the Northeast region, where development pressure continued to push the average value to \$5,080 per acre. The Northern Plains region had the lowest farm real estate value, at \$1,110 per acre, up 15.5 percent from the previous year. In the Corn Belt region cropland values rose 14.8 percent, to \$4,260 per acre. The Southern Plains region increased 12 percent from the previous year, to \$1,490 per acre.

The Northern Plains region also had the highest average percentage increase in pasture value, 19.7 percent above 2007. In the Southern Plains and Mountain regions, which account for more than half of the pasture in the U.S., pasture values per acre increased 17.1 percent and 6.4 percent, respectively.

Sheep and Hog County Estimates Available

The January 1, 2008 county estimates for all sheep and December 1, 2007 county estimates for hogs and pigs and district estimates for chickens are available on our website at www.nass.usda.gov/mt.

The USDA, National Agricultural Statistics Service, Montana Field Office compiles the only annual county estimates for Montana. The county estimates are based on livestock surveys conducted at the end of 2007 and beginning of 2008. Questionnaires were sent to a sample of farmers and ranchers throughout Montana asking for information on the livestock inventories. About 6,600 questionnaires were tabulated and summarized. Thank you to all the farmers and ranchers who participated in the survey!

Farm Production Expenditures Hit Record High in 2007, USDA Reports

The rising cost of fuel and other products helped drive U.S. farm production expenditures to a record \$260 billion in

2007. Total U.S. farm production expenditures rose 9.3 percent from 2007 and nearly 30 percent from 5 years ago.

Increasing petroleum costs meant farmers not only paid more for fuel, but also for fertilizer products, chemicals, and transportation services. Indirectly, fuel prices and the growth in ethanol production also led to higher crop prices, resulting in increased cost for livestock feed.

The NASS report shows that the average production expenditures per farm increased 10 percent nationwide, from \$114,186 in 2006 to \$125,648 in 2007. On average, U.S. farm expenditures for fertilizer, lime and soil conditioners jumped 26 percent to \$8,070; feed costs rose 22 percent to \$18,412; fuel costs increased by 15 percent to \$6,137; and agricultural chemicals climbed 12 percent to \$4,832.

On average, 2007 total farm production expenditures for all other states in the western region (AZ, CO, ID, MT, NV, NM, OR, UT, WY), which includes Montana farmers and ranchers, increased 3 percent from \$141,789 in 2006 to \$145,393 in 2007. On average, western region farm expenditures for feed rose 24 percent; real estate & property taxes jumped 14 percent; fuels jumped 12 percent; fertilizer, lime & soil conditioners increased 10 percent; labor increased 6 percent; and interest increased 1 percent. The largest expenditure for this region was for feed, accounting for \$4.5 billion in 2007 and 17 percent of farm expenditures.

In total, U.S. producers spent \$12.7 billion on fuel, including \$7.71 billion for diesel, up 15 percent; \$2.74 billion for gasoline, up 16 percent; \$1.5 billion for LP gas, up 17 percent; and \$750 million for other fuels, up 4.2 percent.

For all other states in the western region, producers spent \$1.25 billion on fuel, or 5 percent of their total farm expenditures.

The Farm Production Expenditures summary provides the official estimates for production input costs on U.S. agricultural operations. These estimates are based on the results of the nationwide Agricultural Resource Management Survey conducted annually by NASS. The Farm Production Expenditures summary and all NASS reports are available online at www.nass.usda.gov.

COMING IN THE NEXT REPORTER

All Hay County Estimates	U.S. & Canadian Cattle
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